

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Great Lakes Mortgage and Investments, Inc.
15 South 2nd Street
Grand Haven, Michigan 49417,

Enforcement Case No. 05-3867

License No.: FL-1768, SR-0547,

Respondent.

CONSENT ORDER REQUIRING COMPLIANCE
AND PAYMENT OF CIVIL FINES

Issued and Entered,
This 20th day of December, 2006,
By Richard D. Lavolette,
Chief Deputy Commissioner

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Services ("OFIS") in this matter, the Commissioner FINDS and CONCLUDES that:

1. The Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the Secondary Mortgage Loan Act ("SMLA"), 1981 PA 125, as amended, MCL 493.51 *et seq.*

2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.

3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.

4. All applicable provisions of MAPA have been met.

5. Great Lakes Mortgage and Investments, Inc. ("Respondent") violated MCL 445.1652(1) and (4), MCL 445.1659, MCL 493.63, MCL 445.1671(1)-(2), and MCL 445.1672(a)-(b).

NOW THEREFORE, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, IT IS ORDERED THAT:

1. The Stipulation to Entry of Consent Order (the "Stipulation") submitted by the parties to the Chief Deputy Commissioner is hereby ACCEPTED.

2. Respondent shall CEASE AND DESIST from violating MCL 445.1652(1) and (4), MCL 445.1659, MCL 493.63, MCL 445.1671(1)-(2), and MCL 445.1672(a)-(b).

3. Respondent agrees that it shall pay to the OFIS, a civil fine in the amount of \$6,000.00. The fine shall be paid in two equal installments of \$3,000.00. The first payment of \$3,000.00 shall be paid on or before 30 days from the date of entry of the accompanying Consent Order. The final payment of \$3,000.00 shall be paid on or before April 1, 2007.

4. Respondent shall not utilize independent contractors for mortgage loan origination unless they are: 1) licensed or registered under the MBLSLA; 2) exempted from the MBLSLA under Section 25; or 3) licensed as a class I licensee under the Consumer Financial Services Act..

5. Respondent shall review and comply with the OFIS Consumer Finance Bulletin No. 2003-09-CF, posted on the OFIS website, which clarifies OFIS' position on employees and branch offices in Michigan. Respondent agrees that it will provide written notice to OFIS within 30 days of opening or closing a branch office that will be conducting activity subject to the MBLSLA. The notice shall include the street address, business telephone number, and name of the branch manager of the branch that is being opened or closed.

6. Respondent shall continue to develop and maintain 1) a comprehensive written employee Policy and Procedures Manual, 2) a comprehensive written Quality Control and Compliance Program, and 3) a written Compliance Audit Program, as agreed to in the Stipulation.

7. Respondent shall educate its officers and employees involving the brokering, origination, and closing of mortgage loans on all applicable state and federal laws and regulations, including, but not limited to, the MBLSLA, SMLA, Federal Real Estate Settlement Procedures Act, National Housing Act, Federal Truth in Lending Act, Equal Credit Opportunity Act, Fair Credit Reporting Act, Anti-Redlining Act, and applicable usury laws. The education shall be accomplished by requiring the officers and employees involved in the brokering, origination, closing, and servicing of mortgage loans to attend training seminars for the next 12 months at least four hours in duration every quarter. The training seminars shall be conducted by persons not employed by Respondent and with recognized experience in the mortgage industry. The instructors for the training seminars shall be varied in order to give the officers and employees a broad view of the regulation and operation of the mortgage industry. The training seminars shall include the philosophy behind the laws and regulations as well as the requirements of the laws and regulations. The training seminars may be organized by either Respondent or a local or national organization such as the Michigan Mortgage Lenders Association, the Mortgage Bankers Association of America, the Michigan Mortgage Brokers Association, or the National Association of Mortgage Brokers. The training seminars may be presented in person or through electronic means, such as the internet, video tapes, DVDs, or CD-ROMS. Respondent shall keep a record of the attendance of the officers and employees at the training seminars.

8. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA and SMLA. Failure to abide by the terms and conditions of the Stipulation to Entry of Consent Order and this Order, may result in the commencement of additional proceedings.

IT IS SO ORDERED.



Richard D. Lavolette
Chief Deputy Commissioner